TABLE V

SUMMARY OF PRODUCTION OF GOLD AND SILVER BY WEIGHT

Period	Ounces	
	Gold	Silver
1493–1850	152,782,516	4,817,078,240
1851–1875	153,539,850	996,795,500
1876–1895	119,345,764	2,177,804,911
1896–1905	140,268,348	1,668,443,564
1493–1875	306,322,366	5,813,873,740
1851–1895	272,885,614	3,174,600,411
1493–1895	425,678,130	7,991,678,651
1493–1905	565,936,478	9,660,122,215

TABLE VI

SUMMARY OF PRODUCTION OF GOLD AND SILVER BY VALUE

Period	Gold	Silver A	Silver B
1493–1850	$ 3,158,210,280	$ 7,011,506,080	$6,339,274,964
1851–1875	3,174,005,000	1,285,131,500	1,238,348,954
1876–1895	2,467,266,800	2,101,578,500	1,424,415,080
1896–1905	2,899,604,500	991,453,200	1,018,201,054
1493–1875	6,332,215,280	8,296,637,580	7,222,749,763
1851–1895	5,641,271,800	3,386,710,000	2,076,379,145
1493–1895	8,799,482,080	10,398,216,080	5,227,037,338
1493–1905	11,699,086,580	11,389,669,280	5,895,282,784

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WASHINGTON NOTES

RAILWAY REVENUES AND EXPENSES
WORK OF THE MONETARY COMMISSION
DIRECTORAL CONTROL OF BANKS
APPLYING THE CORPORATION TAX
A STUDY OF COTTON SPECULATION
EXPERIENCE TABLES FOR SURETY BONDS
PREPARATIONS FOR THE CENSUS

An important series of new publications has been undertaken by the Interstate Commerce Commission under the direction of its statistical division. These are the Bulletins of Revenues and Expenses of Steam Roads of the United States of which four numbers have now been issued. The first of the series was made public a few weeks ago, after some delay in preparation, and has been quickly followed by three others. Included in each number of the *Bulletin* is a "System Index and Mileage Table" intended to supply

information regarding the names, lengths, etc., of the various roads dealt with. This is followed by an extended analysis, alphabetically arranged, of the revenues and expenses of each road. In this analysis is given the mileage operated at the end of each month by each road. Under the head of operating revenues, the freight, passenger, other transportation, non-transportation, and total revenues are given. Under the head of operating expenses are given the details of maintenance of way and structures, maintenance of equipment, traffic, transportation, general, and total expenditures. Then, in separate columns, are given the rail operations—net operating revenue (or deficit), the outside operations—net revenue (or deficit), the taxes, and the operating income (or loss). This showing is limited to roads operating more than five hundred miles of line.

While the bulletins will have a very great statistical value as the series progresses, interest in this first showing is mainly due to its bearing upon the recovery of the roads from the depressed condition of the recent panic. Freight transportation revenue was $686 per mile in July, 1907, and had recovered to $636 in March, 1909. Other transportation revenues suffered a net fall from $66 per mile to $61 per mile during the same period. The month of lowest total revenue was February, 1908, while February, 1909, was the month of lowest operating expense. The revenue in February, 1908, was for all roads $707 per mile of line as against $1,013 in July, 1907, and $892 in March, 1909. The total net revenue for all roads from both operation and outside transactions was $337 per mile in July, 1907, $163 in February, 1908, and $301 in March, 1909. The *Bulletin* points out very clearly the unexpected ability of the roads to control their operating expenses as revenues fell off. General and unclassified expenses did not vary very much during the panic period or the months immediately following it, and maintenance and equipment, though changing materially, did not show extreme fluctuations. The greatest falling off occurred in maintenance of way and structures and in transportation expenses. A study of the comparative data furnished will probably change some views that have been expressed regarding the trend of railroad finance during the panic period.

After nearly a year and a half of life, the National Monetary Commission is endeavoring to make some showing of results. The organization has been highly expensive from the start: it has made

visits to Europe under costly attendant circumstances, and has also made various stays in New York and at the seaside. In view of the development of opinion against the idea of a central bank plan—the scheme upon which Chairman Aldrich is now admitted to have set his mind—the Commission has, however, determined to do nothing in the way of legislation during the current winter and has given out semi-official statements to that effect. Instead, it is planning a campaign of publicity for the purpose of converting public opinion to the side of a central bank plan and with that end in view has inaugurated a kind of press bureau which is engaged in distributing newspaper material. The Commission, however, announces the forthcoming issue of more solid matter and is expecting to put before the public in rapid succession a series of about 52 documents and monographs prepared by economists and others who have been employed for that purpose by the Commission. Among these monographs are included several volumes of interviews held by members of the Commission with various bank officials in Europe, and also other volumes among which are the following: *The First Bank of the United States,* by Dr. J. T. Holdsworth; *The Second Bank of the United States* and *The History of State Banks before the Civil War,* by Davis R. Dewey; *The Safety Fund Banking System in New York,* by Dr. R. E. Chaddock; *The Origin of the National Banking System,* by Andrew M. Davis; *History of Crises under the National Banking System,* by Dr. O. M. W. Sprague; *A History of the National Bank Currency,* by A. D. Noyes; *The Use of Credit Instruments,* by Dr. David Kinley; *The Development of the Independent Treasury System,* by the same author; *Seasonal Variations in the Demand for Currency and Capital,* by Dr. E. W. Kemmerer; *The Foreign Balance of the United States,* by John E. Gardin; *Clearing House Methods and Practices,* by J. G. Cannon; *The History of Banking in Canada,* by R. M. Breckenridge; *The Canadian Banking System,* by Dr. J. F. Johnson; *The English Banking System,* by Hartley Withers; *The History of Banking in England,* by H. S. Foxwell; *The Evolution of Credit and Banks in France,* by André Liesse; *The Bank of France in its Relations to Credit,* by Maurice Patron; *The French Banking System,* by Albert Aupetit; *The Great German Banks, &c.,* by Dr. J. Riesser; *Banking in Italy,* by Carlo F. Ferraris; *The Swedish Banking System,* by A. W. Flux; *The National Bank of Belgium,* by Charles A. Conant; and a considerable number of other monographs.

Substantial progress has been made by the Comptroller of the Currency in further developing his system of bank control. The Comptroller in a letter sent to the banks in the latter part of November has called their attention to the question of overloans, noting the probability that in the event of continuance in this practice, he will exercise his power to call for the forfeiture of the charters of the offending banks. The seriousness of the overloan situation can be realized when it is understood that about three years ago more than 60 per cent. of the banks were violating the overloan provision of the law. Conditions then were such as to call for considerable care on the part of banks which wished to avoid such violations. The maximum loan then permitted was 10 per cent. of the capital of the bank making the loan, and compiled figures showed that more than 60 per cent. of all banks were not observing the provision. Later, Congress changed the law on the subject, providing that no loan to any one person or corporation should exceed 10 per cent. of the combined capital and surplus of the bank making the loan, or be in excess of 30 per cent. of the capital of such bank. The effect of this liberalization was to reduce the number of banks violating the law in a marked way, the number falling at one time below 15 per cent. Later there was a decided increase and the Comptroller's action has now come at a moment when there was grave danger of a large addition to the number of violators. The step taken is expected to result in bringing all the banks into at least technical conformity with the provisions of the national bank act.

Besides taking this measure, the Comptroller has inaugurated another important change by requesting the banks to hold at least monthly directors' meetings. A compilation of data recently showed that about two thousand five hundred institutions held directors' meetings less often than once a month—many holding practically none at all, or having them so infrequently as to make them wholly ineffective. The Comptroller has not power to compel the adoption of by-laws calling for frequent meetings but he is asking for the co-operation of the banks. In future applications for charters, banks will be expected, before they receive charters, to file a copy of their by-laws containing a provision for monthly meetings, at which the approval of the directors for all loans will be recorded. This is possibly the most promising plan for compelling directoral attention to banking that has yet been attempted.

After a summer spent in more or less continuous study of the corporation-tax section of the tariff law, and of the interpretations properly to be given to it, Secretary of the Treasury MacVeagh has worked out a set of rules designed to cover the application of the corporation tax and has issued these as regulations, accompanied by blanks to be filled out by the various classes of concerns subject to the law. According to the interpretation now given to the act by the Treasury, "the real intent of the law is to collect a tax of 1 per cent. on the net income, less $5,000, of the individual corporation, joint stock company, or association, liable to the tax." The term net income as used in the law is regarded as meaning not only net profits arising from the operation of the principal business of the corporation but also all items of income received from other sources such as investments, holdings in other companies, etc. The purpose of the law is held to be the putting of a tax not on receipts but on profits, and hence gross income is considered to include gross profits and to embrace all items of income received by any corporation from any source. This is supposed to differentiate clearly between "gross income," "gross profits," and "gross earnings." The question of what income was meant by Congress when it used the term "actually paid within the year" as defining payments from a cash standpoint, is settled by regarding the words "actually paid" from the standpoint of debtor and creditor and thus as practically meaning accruals rather than actual cash payments. Any other interpretation, it is urged, would render the application of the law absurd.

Corporations have been divided for the purposes of the act into six classes: (1) (*a*) banks and other financial institutions, (*b*) insurance companies; (2) transportation companies; (3) manufacturing companies; (4) mercantile companies; and (5) miscellaneous. The definitions of gross income for the several classes thus established differ somewhat, and in such a way as to afford working definitions of gross income and gross profits applicable to the different groups of concerns. It is estimated that about 400,000 corporations will have to make returns. The treasury announces that where honest errors are made in calculating the return for one year opportunity will be given to corporations to make correction in the succeeding year, but that where fraudulent purpose is discovered vigorous prosecution will follow. No specific methods of keeping accounts and no particular style of bookkeeping are prescribed. The only requirement is that transactions be so recorded that accurate

returns can be made from the records and can be verified when necessary. The department has not fully worked out the details of the act regarding publicity, although it indicates that its intention is to make the returns fully accessible to the public—as was evidently intended by the terms of the law.

Commissioner of Corporations Herbert Knox Smith has just completed and forwarded to Congress his final report upon methods of trading upon the cotton exchanges of the country. Mr. Smith in this document carries farther the work which was begun last year in the earlier report upon cotton exchanges, and now discusses the effect of speculation upon prices and upon buyers and sellers. The artificial methods employed upon the various exchanges in fixing "differences" between the various grades of the staple receive severe criticism, which is emphasized because of the failure of the exchanges to improve their methods since last year when the Bureau of Corporations first called attention to the situation. This report, taken with the earlier reports published by Commissioner Smith on the same subject, gives a more comprehensive and thorough analysis of the methods and effects of one important kind of produce speculation than has ever before been worked out for publication. It is believed that some legislation may follow the publication of this document.

An important experiment is being made by the Federal Government in its effort to fix the rates paid by government employees for their surety and fidelity bonds to the various bonding companies. The investigation grows out of difficulties of the past two years, resulting, it was believed, in overcharges by the bonding companies. Investigation showed that, strange to say, the results of experience in the matter of defalcation, etc., have never been fully and properly tabulated. Under authority of a provision in the Urgent Deficiency Bill of last summer a committee then appointed has employed actuaries, and is engaged in formulating complete tables showing the experience of the government over a period of years with its bonded officers. Some matter has already been published as the result of this investigation, and it is likely that an important contribution to one phase of insurance literature will be made in the course of the coming year. Another interesting aspect of the situation is seen in

the administrative difficulties which have arisen from this attempt at establishment of rates of charge by government authority.

Blanks have now practically been completed (and a considerable number have been published) for the taking of the census of 1910. In formulating these blanks, Census Director Durand has made probably larger use than any of his predecessors of the services of scientific and statistical experts. Special committees of economists and statisticians have been at work during the summer and early autumn in connection with the blanks, and the result has been a very considerable simplification and improvement of the cumbrous and ill-suited forms that were used for the census of 1900. So far as political conditions would permit, an effort has also been made to select census supervisors upon a basis of merit.